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ARTICLES:

(1) Zumwalt says next U.S. administration also to uphold U.S. military realignment, frowns on Futenma revision

OKINAWA TIMES (Page 1) (Full)
October 5, 2008

James Zumwalt, deputy chief of mission at the U.S. Embassy in Japan, outlined his views yesterday in an Okinawa Times interview. He indicated that the next U.S. president coming into office after this November's presidential election would take over the Bush administration's current policy toward Japan. "Both the Democratic and Republican parties attach importance to Asia, and in particular, give high consideration to U.S.-Japan relations," Zumwalt said. "There will be no major changes," he added.

Concerning the planned relocation of the U.S. military's Futenma airfield, Okinawa Prefecture has been calling for the construction site of an alternative facility to be moved into the sea. Zumwalt frowned on the proposal, saying: "The Japanese and U.S. governments made the decision after very difficult negotiations from the perspective of the environment, noise, safety, and other factors. It would not be wise for the U.S. government to renegotiate." With this, Zumwalt indicated that the U.S. government does not want to impede the implementation of the agreement on the realignment of U.S. forces in Japan for the next administration.

In addition, Zumwalt also pointed out elections to be held along with the U.S. presidential election for one third of the seats in the Senate and all seats in the House of Representatives. "I think there will be various changes (in the U.S.), but there will be no

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change in U.S.-Japan relations. The United States' interests will remain unchanged, because Japan and the United States share common values."

Another pending issue is to remove the danger of Futenma airfield. In this regard, Okinawa Prefecture has been calling for the U.S. military to take appropriate measures from the perspective of flight operations. "The most important thing is to quickly relocate Futenma airfield," Zumwalt said. "But," he added, "we want to make efforts for Futenma's safe use." So saying, he declined to clarify whether the U.S. military will respond to the local call.

There has been an increase in the number of U.S. nuclear-powered submarine port calls at White Beach. Asked why, Zumwalt went no further than to say: "Submarines must operate under various circumstances in the world. Their presence in the Far East and Asia serves as a deterrent."

Zumwalt arrived in Okinawa on Oct. 1. He exchanged views with Okinawa Gov. Hirokazu Nakaima, Nago Mayor Yoshikazu Shimabukuro, Ginowan Mayor Yoichi Iha, and the heads of other base-hosting municipalities. In addition, he visited Camp Schwab.

(2) Commentary: DCM Zumwalt gives 'zero answer' to proposal for Futenma replacement facility's offshore move, a big barrier to Futenma relocation

OKINAWA TIMES (Page 2) (Full)
October 5, 2008

Concerning the issue of relocating the U.S. military's Futenma airfield, Deputy Chief of Mission Zumwalt from the U.S. Embassy in Japan gave a 'zero answer' to Okinawa Gov. Hirokazu Nakaima's proposal to move the construction site of an alternative facility out into the sea and remove its danger.

The deputy chief of mission is a key post ranking next to Ambassador Schieffer. Zumwalt was director for Japanese affairs (Japan Desk) at the Department of State before assuming his current post. The high-ranking U.S. government official, who will be at the center of U.S. policy toward Japan following the change of administration, has indicated that the U.S. government would not agree to move the site of the Futenma alternative facility offshore. This will be a major barrier to Okinawa Prefecture and Nago City, which are pushing for

Futenma's relocation. That is because Nobutaka Machimura, who has shown understanding for Okinawa Prefecture's standpoint, is no longer in the cabinet post of chief cabinet secretary and thus no longer in charge of the issue. Okinawa has high hopes for the government's negotiations with the United States. However, the government itself has fallen into a difficult situation.

Meanwhile, Zumwalt indicated that one of the goals of realigning the U.S. military presence in Japan is to mitigate the burden of base-hosting localities while strengthening the Japan-U.S. alliance's deterrence. "The alliance cannot be continued for a long time without the Japanese people's support," he said.

The Okinawa prefectural assembly has unanimously adopted a resolution against building a new base in a coastal area of Henoko in Nago City (as a replacement for Futenma airfield). Outside Okinawa, however, discussions of the U.S. military's realignment involving Futenma have grown cold. Zumwalt has his eye on public

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opinion in Japan in making his remarks, so the Okinawa prefectural government and assembly, which take different positions, must find a way to arouse public opinion in Japan given the fluidity of the domestic political situation.

(3) Yokohama hit-and-run incident: U.S. service member apprehended at Yokosuka base

MAINICHI NET (Full)
1:11 p.m., October 6, 2008

By Masaru Yoshida

A 32-year-old male salaried worker from Yokosuka City, Kanagawa Prefecture, was run over by a vehicle with a Y-number plate on the night of Oct. 3 at the Metropolitan Expressway Daikoku Parking Area in Tsurumi Ward, Yokohama City. U.S. Yokosuka Naval Base on Oct. 5 detained on suspicion of attempted murder a male seaman attached to the base who is believed to have fled from the crime scene.

Y-number plates are issued to vehicles owned by U.S. military personnel, civilian employees of the U.S. armed forces, and their families. The man in question was identified as belonging to the U.S. military, based on the Y-number plate in a joint investigation by the Tsurumi Police Station and the U.S. Naval Criminal Investigation Service (NCIS). The NCIS has detained the sailor after questioning him on the base. The U.S. military reportedly interviewed a fellow U.S. service member who was at the crime scene, as well.

According to the investigation, the male salaried worker seems to have known the sailor. Reportedly, the two got into a quarrel shortly before 10:55 p.m., at which point, just when the U.S. sailor got into his car, the company employee stood in its way.

(4) Two U.S. Marines arrested for stealing taxi and for having minor accidents

MAINICHI ONLINE (Full)
October 6, 2008

Okinawa Police arrested last night Mathew Eckerson (TN: Phonetic), a 21-year-old lance corporal based at the U.S. Marine Corps' Camp Zukeran, and Shane Stodghill (Phonetic), a 20-year-old lance corporal based at Camp Courtney, on charges of theft.

According to the police, the two Marines were arrested on suspicion of stealing a taxi at around 6:45 p.m., while the driver was going to the toilet. The incident occurred on a street in Mihama, Chatan-cho, Okinawa Prefecture. The two have admitted to the charges.

About 20 minutes later, Eckerson, who drove the taxi, scraped five cars one after the other when he tried to pass vehicles waiting for the traffic lights to change at the Isa intersection on Route 58 in Ginowan City. The two Marines were subdued by persons on the scene

and handed over to the police.

The two reportedly were drunk.

(5) Fund-raising body headed by Foreign Minister Nakasone found to have received donations from companies caught bid-rigging

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AKAHATA (Page 15) (Full)
October 6, 2008

It has been learned that the Liberal Democratic Party (LDP) Gunma Prefectural Upper House First Chapter, which is headed by Foreign Minister Hirofumi Nakasone, received 1.6 million yen in donations from companies that were warned by the Japan Fair Trade Commission to cease and desist all activities in violation of the Antimonopoly Law. The companies in question are Nissaku Corp., a construction company in Saitama City, and Tonets Corp. in Chuo Ward, Tokyo.

The Japan Fair Trade Commission issued to Nissaku a warning in May 2002 to end a bid-rigging practice in a project ordered by Kanagawa Prefecture, and another warning in November 2004 to cease bid-rigging in a project ordered by Ehima Prefecture.

In March 2006, Tonets was excluded from the list of companies designated for competitive bidding on suspicion of being involved in an illegal bid-rigging scheme involving the Defense Facilities Administration Agency.

According to the Upper House Gunma Prefectural First Chapter's political funds report, Nissaku contributed a total of 1.25 million yen over five years since 2003 through 2007; and Tonets donated totaling 410,000 yen for three years from 2004 to 2007.

Regarding the donations from Nissaku, Nakasone said yesterday: "I didn't know that we received political donations from any company that was ordered to cease such activities. I want to consider a response after checking the specifics."

It has been discovered that LDP regional chapters headed by Prime Minister Taro Aso, Chief Cabinet Secretary Takeo Kawamura and Finance Minister and State Minister in Charge of Financial Services Shoichi Nakagawa, received donations from controversial firms.

(6) Japanese firms' overseas M&As in Jan-Sept period reach record high in value

SANKEI (Page 10) (Full)
October 4, 2008

Japanese firms have been on a mergers and acquisitions (M&A) spree overseas. According to M&A consultancy Recof Corp., the value of M&As of foreign firms by Japanese companies in the January-September period reached a record high of 6.0234 trillion yen, 3.54 times larger than the same period a year ago. Meanwhile, M&As of Japanese companies by foreign firms sharply decreased. With a sidelong glance at a number of foreign-buyout funds becoming unable to procure capital in the aftermath of the U.S. financial crisis, Japanese companies, armed with ample cash, are enhancing their presence in the M&A market.

The number of M&A cases in the January-September period was 1,825, down 9.1 PERCENT below the same period a year ago. Of these, Japanese firms' M&A overseas totaled 270, up 1.5 PERCENT. In the meantime, the total value of all M&A cases increased 4.5 PERCENT to 9.3635 trillion yen, of which those involving Japanese firms accounted for 64 PERCENT, showing that the scale of each case is becoming larger. In September, too, large-sized M&As and capital-participation cases were reported, involving a consortium of

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Marubeni Corp and Kansai Electric Power Co., and by Shionogi & Co. and the Mitsubishi-UFJ Financial Group.

A number of industries that cater to domestic demand, including financial institutions such as non-life insurers and banks, and drug makers, have taken the lead in the boom of Japanese firms' M&A overseas this year. Recent sharp drops in global stock markets have also encouraged Japanese companies to move for M&As overseas.

During the bubble years at home, Japanese corporations proactively purchased properties overseas, such as hotels and commercial buildings. But this year, most are cases in which companies purchase foreign firms of the same line of business or related business. An industry participant commented: "Many corporations are trying to explore overseas markets in earnest."

M&A cases involving Japanese firms by foreign companies dropped 32.5 PERCENT to 158 cases and 79.9 PERCENT to 506.7 billion yen in value terms, though the value in 2007 exceeded 3 trillion yen.

The drop is attributable to the financial woes originating in the U.S. Foreign companies are having difficulties procuring capital from money markets that are being dogged by credit uncertainty, as shown by the U.S. General Electric's (GE) request to investor Warren Edward Buffett for financial aid.

Stock prices on the Japanese market also remain weak, but foreign firms, such as buyout funds, find it far more difficult than Japanese companies to procure funds. They cannot afford to invest in Japanese companies.

(7) Interview with JICA President Sadako Ogata

ASAHI (Page 3) (Full)
September 30, 2008

The International Cooperation Agency (JICA) will merge with the yen loan operations of the Japan Bank for International Cooperation (JBIC) on Oct. 1. Prior to the launch of a revamped organization, JICA President Sadako Ogata, 81, responded to an interview with the Asahi Shimbun on Sept. 29, in which she expressed concern about the nation's shrinking official development aid (ODA) budget and pointed out the need for changing the emphasis of assistance toward contributions to help build political stability. Ogata also indicated that Japan should be proactively involved in peace building by stationing Japanese staff in Iraq and taking other measures.

-- The overhauled JICA will become the world's largest aid organization in terms of project scale. What feeling do you have about the integration?

Since I assumed the presidency, five years have passed, but I have remained in office, based on the view that I should not give up on the integration scheme halfway though and must ascertain its outcome. The reorganized JICA will be an agency that brings together the programs of yen loans, grant aid, and technical assistance. It is easier for developing countries to receive different types of aid from a single organization.

We can expect chances to expand in the future. For instance, if waterworks engineers are trained, an organization (such as the

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waterworks bureau) will become necessary. So it will become possible to establish a system under the reorganized JICA.

-- The words, "development that will benefit everybody," are inserted in the vision of the revamped JICA, aren't they?

Discrepancies are expanding in developing countries as a result of their economies rapidly growing and globalization advancing. Discrepancies bring about negative effects, so it is necessary to help develop economics without creating discrepancies. We would also like to give priority to efficiency and effect, such as a way of offering a lot of funds to areas in need.

-- We hear your own research institute will also be revamped and

will give priority to not only economic development but political development, as well.

Even if we promote economic development in earnest, such problems as instability in politics are left. In offering aid to help build peace in countries in dispute, as well, we must carefully watch what is obstructing the peace there. In a considerably early stage in some cases, JICA has dispatched personnel to places to which conventional aid agencies have not.

-- About 40 staff members have been stationed in Afghanistan despite the deteriorating security situation. What plan do you have in mind about them?

I have no intention to withdraw them. When I visited Afghanistan last December, I saw many of them tackling such challenges as human resource development, assisting the medical sector, and helping farm villages. We are employing ingenuity, for instance, purchasing bulletproof vehicles and hiring local officials in charge of security management.

We have started a grand project to construct a Kabul Metropolitan area. We have also prepared a detailed master plan. Since this is an important project, we would like to keep the current number of employees. There used to be 60 members in Afghanistan, so we would like to increase the number if security is ensured there.

A police organization is needed, besides the military, to bring about stability into Afghanistan. Such a duty is not included among the duties of the Self-Defense Force (SDF), so there will be no other way but (for Japan) to depend on civilians for this duty.

-- Japan has provided Iraq with non-reimbursable aid to Iraq under a remote-control system and also plans to offer yen loans on a full scale.

We would like to provide the nation with 3.5 billion dollars in yen loans. A responsible team has been stationed in Jordan, but it is necessary to station the team in Iraq in order to render satisfactory aid. Since the security situation in the Kurdish region has considerably stabilized, we want to prepare to set our office in Arbil (in northern Iraq) and send staff by the end of the year.

-- Japan ranked at the top among donors of ODA in the world in 2000, but the nation tumbled to fifth place in 2007.

The ratio of ODA disbursements to the nation's economic scale is now the lowest among the industrialized countries and is lower than its

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appropriate level. Although Japan has benefited from global peace and stability, it has little awareness that it must do something. Around the time when I was assigned to the United Nations in 1991, the words "international contributions" were being mentioned more often.

Defense expenditures are far larger than ODA disbursements. I wonder spending cuts were properly carried out in the process of fiscal reconstruction. How does the second largest economic power recognize this (imbalanced budgetary allocations) and rectify them? This is a political issue, and political leaders must take the lead in dealing with it.

-- ODA is said to be a diplomatic tool.

ODA is more than just a tool. ODA plays an important role for Japan to fulfill an international role and to aim at co-existence and co-prosperity with the rest of the world. I think JICA is an organization existing for that purpose.

(8)TOP HEADLINES

Asahi:
Firm in Ishikawa Prefecture abused mail rate discount for disabled people

Mainichi:

British, German, French, Italian leaders agree to set up EU bank surveillance body

Yomiuri:

150 hospitals in Japan have emergency rooms

Nikkei:

94 PERCENT of surveyed corporate heads say nation's economy is deteriorating

Sankei:

Nishimatsu Construction vice president interviewed by Tokyo prosecutors over shady money worth 100 million yen

Tokyo Shimbun:

Four European leaders fail to come up with substantial financial measures

Akahata:

4,600 young people assemble in Meiji Park

(9) EDITORIALS

Asahi:

(1) Global warming and general election: "Environment" should be taken campaign issue

Mainichi:

(1) Authorities concerned must not prey on newly established Japan Finance Co.

(2) Revisions to Worker Dispatch Law insufficient to protect workers

Yomiuri:

(1) Excessive postgraduate law faculties must be decreased

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(2) Japan should deepen debate on policy of accepting 300,000 foreign students

Nikkei:

(1) Europe must show real achievements of cooperation to prevent financial crisis

(2) Punishment of self-defense official damages right to know

Sankei:

(1) EU observer mission in Georgia: Russia not allowed to let present situation continue

(2) Survival rates of cancer patients: Number of hospitals that disclose data should be increased

Tokyo Shimbun:

(1) Financial stabilization: U.S. facing critical juncture

(2) Osaka Gov. Hashimoto loses case: TV commentators should be careful about making comments

Akahata:

(1) Military use of space: Japan must stop preparing for an overseas war

(10) Prime Minister's schedule, October 3

NIKKEI (Page 2) (Full)

October 4, 2008

08:18

Met Deputy Chief Cabinet Secretary Konoike at the Kantei.

09:00

Attended a cabinet meeting.

09:10

Met Konoike.

10:00

Met Chief Cabinet Secretary Kawamura at the Kantei.

13:01

Attended an Upper House plenary session.

15:26

Met Cabinet Intelligence Director Mitani at the Kantei.

16:01

Met representatives of six local organizations, including Fukuoka Gov. and National Governors Association Chairman Aso.

16:17

Met Vice Education Minister Zeniya, followed by Cabinet Office Vice Minister Yamamoto and Decoration Bureau Director General Fukushima. Afterward met Deputy Chief Cabinet Secretary Uruma.

17:11

Met Vice METI Minister Mochizuki and Economic and Industry Policy Bureau Director General Matsunaga, followed by LDP Policy Research Council Chairman Hori and his deputy Sonoda.

17:59

Met Economic and Fiscal Policy Minister Yosano, followed by

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Mochizuki and Matsunaga.

18:41

Attended a Kaho Middle and High School reunion held at the Toranomon Pastral.

19:18

Met a secretary at an Imperial Hotel bar.

22:54

Returned to his private residence in Kamiyama.

Prime Minister's schedule, October 4

NIKKEI (Page 2) (Full)

October 5, 2008

10:58

Took a walk around his private residence in Kamiyama.

13:44

Visited a golf driving range in Hodogaya Ward, Yokohama.

15:59

Returned to his private residence.

16:23

Received acupuncture and moxibustion treatment at a clinic in Kita-aoyama.

18:39

Returned to his private residence.

19:29

Dined at a French restaurant in Ginza with his family, including wife Chikako.

22:08

Returned to his private residence.

Prime Minister's schedule, October 5, 2008

NIKKEI (Page 2) (Full)

October 6, 2008

10:46

Took a walk around his private residence in Kamiyama.

13:35

Met Deputy Chief Cabinet Secretary Matsumoto at his private residence.

17:08

Met family, including wife Chikako, at the Hotel Okura.

19:02

Met a secretary at the Imperial Hotel.

22:22

Returned to his private residence.

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SCHIEFFER